

NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of Welspun Corp Limited will be held on **Friday, September 14, 2012** at the Registered Office of the Company at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370 110 at 11.00 a.m. to transact the following businesses:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended on that date and the Report of Directors and Auditors thereon.
- 2) To consider declaration of dividend on Equity Shares.
- 3) To appoint a Director in place of Mr. K.H.Viswanathan, who retires by rotation, and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Mr. Rajkumar Jain, who retires by rotation, and being eligible, offers himself for re-appointment.
- 5) To consider and approve re-appointment of M/s. MGB & Co., Chartered Accountants as Statutory Auditors, who retires at the meeting and being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS:

- 6) To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and the provisions of other statutes as applicable and such approvals, consents, permissions and sanctions as may be required, the Articles of Association of the Company be and are hereby altered in the manner and to the extent as set out here below:

- a) After the existing Article 101(e), the following new Article

be and is hereby inserted as Article 101(f):

Meeting by Electronic Mode.

- 101(f) Notwithstanding anything mentioned in these Articles, the Company may hold General Meeting(s), Board Meeting(s) or Committee Meeting(s) with participation of entitled persons by electronic mode including voting and any other incidental thing(s) by electronic mode as may be permitted under applicable laws.
- b) After the existing Article 114(b), the following new Article be and is hereby inserted as Article 114(c):
Service of Notice, Reports, Documents and other communications by electronic mode.
114(c) Notwithstanding anything mentioned in these Articles, the Company may send any communication including notice of general meeting, annual report etc. to any persons by electronic mode as may be permitted under applicable laws.
- c) The existing Article 141 be and is hereby substituted by the following margin note and Article 141 as under:

Board of directors

141. Until otherwise determined by the Company in general meeting, the number of Directors shall not be less than 3 (three) and more than 12 (twelve). The appointment of the Directors exceeding 12 (twelve) will be subject to the provisions of Section 259 of the Act.

RESOLVED FURTHER that the Directors of the Company and the Company Secretary be and are hereby severally authorized to do all such acts, deeds matters and things as may be necessary to give effect to this resolution.”

By Order of the Board

Place: Mumbai
Date: May 29, 2012

Pradeep Joshi
Company Secretary

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956 AND THE INFORMATION AS REQUIRED PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

BRIEF RESUME OF DIRECTORS BEING RE-APPOINTED

Item Nos. 3 & 4

Re-appointment of Mr. K.H.Viswanathan

Mr. K.H. Viswanathan, aged 50 years, is a non-executive and an independent director. Mr. Viswanathan is a qualified cost and works accountant registered with the Institute of Costs and Works Accountants of India. Mr. Viswanathan has over 25 years of experience in the accounting and finance sector and has been associated with the companies in manufacturing and the services sector.

Details of directorship / membership of the Committees of the Board of other companies are as under:

Directorship:

- i) Welspun Global Brands Limited, ii) RSM Astute Consulting (Chennai) Private Limited, iii) RSM Astute Consulting International Private Limited, iv) RSM Astute Consulting (Bangalore) Private Limited, v) RSM India Private Limited, vi) Welspun Retail Limited.

Membership / Chairmanship of Committees:

He is the Chairman of - Share Transfer and Investors' Grievance Committee of the Company, Audit Committee & Remuneration Committee of Welspun Global Brands Limited and a member of the Remuneration Committee of the Company, the Audit Committee of Welspun Retail Limited and the Finance Committee of Welspun Global Brands Limited.

He does not hold any equity shares in the Company.

Re-appointment of Mr. Rajkumar Jain

Mr. Rajkumar Jain, aged 56 years, is a non-executive and an independent director. Mr. Jain is a qualified chartered accountant registered with the Institute of Chartered Accountants of India. He has over 30 years of experience in the field of finance and accounts and has been providing advice to the Company in matters relating to accounts and internal control.

Details of directorship / membership of the Committees of the Board of other companies are as under:

Directorship:

i) Welspun Syntex Limited, ii) Welspun Investments and Commercials Limited, iii) Altius Finserve Private Limited, iv) Arihant Medical Services Private Limited and v) Bharat Wire Ropes Limited

Membership / Chairmanship of Committees:

He is the Chairman of – the Audit Committee and the Finance Committee of the Company; the Audit Committee and the Remuneration Committee of Welspun Syntex Limited, the Audit Committee of Welspun Investments and Commercials Ltd. and a member of the Remuneration Committee and the QIP Issue Committee of the Company, the Finance Committee of Welspun Syntex Ltd. and Welspun Investments and Commercials Limited, Remuneration Committee of Welspun Investments and Commercials Ltd.

He does not hold any equity shares in the Company.

Members are requested to approve the proposed resolutions at Item No. 3 & 4 as Ordinary Resolutions.

None of the Directors of the Company, except Mr. K.H.Viswanathan and Mr. Rajkumar Jain is anyway concerned or interested in the said resolutions.

Item No. 6

The Ministry of Corporate Affairs (“MCA”) pursuant to the General Circular No. 35/ 2011 and 72/ 2011 (the “Circulars”) enabled the Company to hold meetings of the Board of Directors, Committees of the Board of Directors and the Shareholders through video conference and communication to the shareholders in electronic form.

With a view to lending strong support to the Go Green initiative of the MCA and in order to bring the enabling provisions of the Circulars in the Articles of Association of the Company, it was

considered appropriate to alter the Articles of Association of the Company as set out in the Resolution.

The Board of Directors recommends the passing of the Resolution at Item No. 6 of the accompanying Notice as a Special Resolution.

None of the directors of the Company is anyway concerned or interested in the said resolution.

NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the Meeting.
- The Register of Members and Share Transfer Books of the Company remained closed from Monday, August 27, 2012 to Thursday, August 30, 2012 (both days inclusive) for the purpose of determination of shareholders entitled to dividend for the year ended March 31, 2012.
- Members are requested to immediately inform about their change of address, change of e-mail address or consolidation of folios, if any, to the Company's Share Transfer Agent.
- All the correspondence pertaining to shareholding, transfer of shares, transmission etc. should be lodged at the Company's Share Transfer Agents: Link Intime India Private Ltd., Unit: Welspun Corp Limited, C-13, Pannalal Silk Mills compound, LBS Marg, Bhandup (West), Mumbai – 400 078.
- As part of the Green Initiative circulars issued by the Ministry of Corporate Affairs, the Notice and Annual Report of the Company are being sent to the shareholders on their respective e-mail addresses. However, shareholders requiring a physical copy of the Annual Report may write to the Company at the Corporate Office at 5th Floor, Welspun House, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013. The Annual Report alongwith the Notice of the Annual General Meeting is available on the website of the Company, www.welspuncorp.com.

By Order of the Board

Place: Mumbai
Date: May 29, 2012

Pradeep Joshi
Company Secretary



Regd. Office : Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370110
Corp. Office: 5th Floor, Welspun House, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013

PROXY FORM

17th Annual General Meeting – Friday, September 14, 2012

Regd. Folio No / DP Client ID

| | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
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I/ We of in the district of being a member(s) of Welspun Corp Limited hereby appoint of in the district of or failing him of in the district of as my / our proxy to vote for me / us on my / our behalf at the 17th Annual General Meeting of the Company to be held on Friday, September 14, 2012 at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370110 at 11:00 am and at any adjournment thereof.

Signed this day of2012.

Signature:

Affix Re. 1
Revenue
stamp

Note: The proxy in order to be effective must be deposited at the Registered Office of the Company at the above address not less than 48 hours before the time for holding the aforesaid meeting and should be duly stamped, completed and signed.



Regd. Office : Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370110
Corp. Office: 5th Floor, Welspun House, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013

ATTENDANCE SLIP

17th Annual General Meeting – Friday, September 14, 2012.

Regd. Folio No / DP Client ID

| | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | |
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No. of Shares held

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

For Physical Shareholders Only

| Name & Address of the Shareholder | Regd. Folio no. | No. of shares held |
|-----------------------------------|-----------------|--------------------|
| | | |

I hereby record my presence at the Annual General Meeting of the Company on Friday, September 14, 2012 at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370110 at 11:00 am

| If Shareholder, please sign here | If Proxy, please sign here |
|----------------------------------|----------------------------|
| | |

Members are requested to fill up the attendance slip and hand it over at the venue.

BOOK - POST

To,

If undelivered, please return to:
Welspun Corp Limited,
5th Floor, Welspun House,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013

Excellence in Engineering....

It is an art; it is a science
It requires skill; it requires vision
It needs flair; it needs innovation
It involves execution
.... With perfection

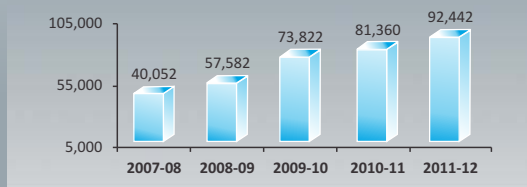
We are **WELSPUN**

17th
Annual Report
2011-12

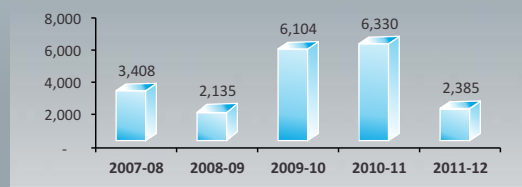


FINANCIAL HIGHLIGHTS (Consolidated)

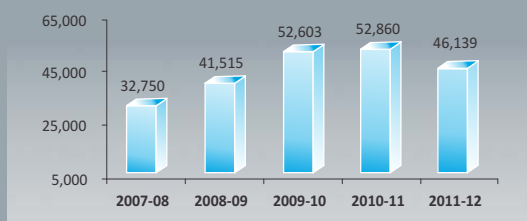
Total Income (Rs. Mn)



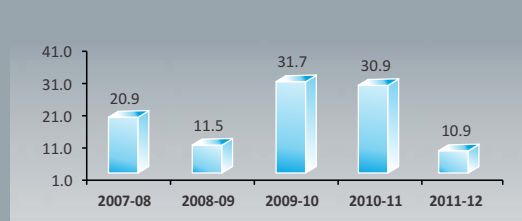
PAT (Rs. Mn)



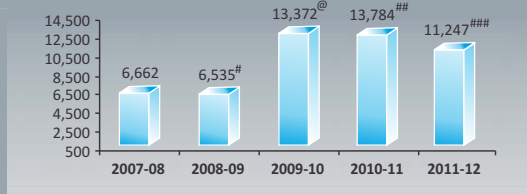
Exports/Overseas Revenue (Rs. Mn)



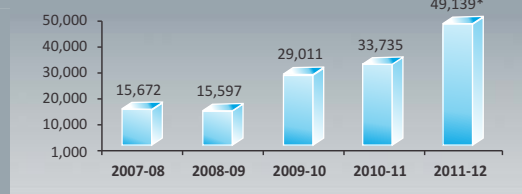
Basic EPS (Rs. / Share)



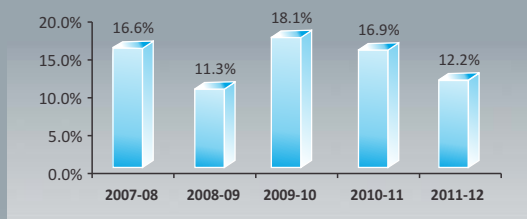
Reported EBITDA (Rs. Mn)^{@@}



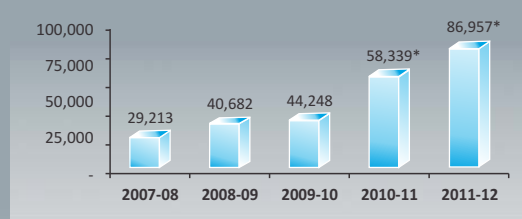
Networth (Rs. Mn)



EBITDA Margin (%)



Fixed Assets (Gross Block- Rs. Mn)



^{@@}: For FY11 and FY12, Other Income, a part of Reported EBITDA includes Interest Income for the respective years.

[#] FY 09: Figures are excluding the extraordinary item :Forex provision of Rs. 1,256 million, Provision on ECB of Rs. 178 million and Inventory write down of Rs. 385 million during FY 2008 09.

[@] FY 10: Forex Provisioning made in the previous year were recovered during the year.

^{##} FY 2010 11: Includes export rebate of Rs. 734 million on receipt of favourable judgement from Honorable Supreme Court and provision of Rs. 2,007 million on account of settlement with one of the customers thereby ending long pending litigation.

^{###} FY 2011 12: Includes Other Income of Rs. 2,676 million which includes interest income of Rs. 1,339 million. Operational Performance was impacted by foreign exchange provisions of Rs. 1,248 million, and Rs. 269 million in other expenses & finance costs, and provisions made towards amicable settlement with a customer of Rs. 649 million.

* Net worth includes CCDs of Rs. 7,884 million.

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Excellence in Engineering

Excellence in Engineering has been the driving force behind every venture that Welspun Corp has undertaken and it continued to be evident during the last financial year. It was the unending quest for excellence, the constant striving to do even the most ordinary things well that has made the Company a class apart.

The last financial year was a great one for Welspun Corp Ltd (WCL). In spite of the downturn the company was able to commission most of the projects it had committed to and registered a sustained performance with strong order book position of Rs. 7,447 crore. This is really creditable as overall industrial production continued to slide throughout the year.

Last fiscal, one of the biggest achievements undoubtedly was the investment by Apollo Global Management, LLC (together with its subsidiaries, Apollo) in the company. This partnership will pave the way for Welspun to strengthen its leadership position as one of the top line pipe companies in the world.

Another significant development was the announcement of expansion plans at the Little Rock facility in Arkansas. Another 200 jobs will be added at an investment of additional \$80 million. During FY12, the Company also commissioned a 0.10 million tonne capacity HSAW Plant at Mandya in Karnataka which will mainly cater to the water segment. The Company also commenced operations at the new LSAW plant at Anjar with a capacity of 0.35 million tonnes. The plant will cater to the growing LSAW demand in India and globally towards transportation of offshore Oil and Gas.

Meanwhile, to strengthen the management, Mr Braja K Mishra has rejoined the Company as Managing Director, WCL after a brief stint of three years outside Welspun. He brings along with him 25 years of experience with immense critical know how about the pipe and plate industry.

With the Company's continued focus on excelling in every sphere of its operations and generating sustainable value for its customers and stakeholders, it is sure to reach to stronger heights in the years ahead.

In this Annual Report we have disclosed forward-looking information to enable investors comprehend our prospects and take informed investment decisions. We have tried, wherever possible, to identify such statements by using words as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of the future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



CORPORATE INFORMATION

Company Identification Number L27100GJ1995PLC025609
Date of Incorporation 26th April 1995
Date of Being Listed on Stock Exchange BSE 27th March 1997
 NSE 4th December 2003
Type of Business Manufacturing of Steel Pipes, Coils and Plates, Power
Registered Capital Rs 2500 million
Paid Up Capital Rs 1138 91 million divided into 227,781,035 equity shares of Rs 5/ each fully paid up

Par Value / Share Rs 5/ each
Securities Registrar & Transfer Agent
 Link Intime India Private Ltd
 C 13, Pannalal Silk Mills
 Compound, LBS Marg,
 Bhandup (West),
 Mumbai 400078

Board of Directors

Mr. Balkrishan Goenka
 (Executive Chairman)
Mr. Braja Mishra
 (Managing Director)
Mr. Rajesh R. Mandawewala
 (Director)
Mr. Mukul Sarkar
 (Nominee Director of Exim Bank Ltd)
Mr. Mintoo Bhandari
 (Nominee Director of Insight Solutions Ltd)

Mr. Raj Kumar Jain
 (Director)
Mr. K.H. Viswanathan
 (Director)
Mr. Ram Gopal Sharma
 (Director)
Mr. Nirmal Gangwal
 (Director)

Chief Financial Officer

Mr Brijgopal Jaju

Company Secretary

Mr Pradeep Joshi

Auditors

MGB & Co , Chartered Accountants

Registered Office

“Welspun City”,
 Village Versamedi, Tal Anjar, Dist Kutch,
 Gujarat 370110
 Tel +91 2836 661111
 Fax +91 2836 279060

Corporate Office

Welspun House, 5th Floor,
 Kamala Mills Compound,
 Senapati Bapat Marg, Lower Parel,
 Mumbai 400 013, INDIA
 Tel +91 22 6613 6000/ 2490 8000
 Fax +91 22 2490 8020/21
 E mail CompanySecretary WGSRL@welspun.com
 Website http://www.welspuncorp.com

Stock exchanges where the Company's securities are listed

Bombay Stock Exchange Ltd
 Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 051

The National Stock Exchange of India Ltd
 Exchange Plaza, Bandra Kurla Complex, Bandra (E),
 Mumbai 400 001

Singapore Exchange Securities Trading Limited (the “SGX ST”)
 2 Shenton Way, #19 00 SGX Centre 1, Singapore 068804

Bankers

Andhra Bank
 Bank of Baroda
 Bank of India
 Canara Bank
 Citibank N A
 Corporation Bank
 ICICI Bank Limited
 IDBI Bank
 Oriental Bank of Commerce
 Punjab National Bank
 Standard Chartered Bank
 State Bank of Bikaner & Jaipur
 State Bank of India
 State Bank of Travancore
 The Hongkong and Shanghai Banking Corporation Limited
 Union Bank of India

Manufacturing Units

- Village Jolva & Vadadla, Near Dahej, Taluka Vagra, Dist Bharuch, Gujarat 392 130
- Village Versamedi, Tal Anjar, Dist Kutch, Gujarat 370110
- KIADB Industrial Area, Gejjalagere, Taluka Maddur, Dist Mandya, Karnataka 571428

Subsidiary

- 9301, Frazier Pike, Little Rock , Arkansas 72205, USA
- 2nd Ind City Dammam, Kingdom of Saudi Arabia, P O Box 12943, Postal Code 31483
- Village Salav, P O Welspun Baug, District Raigad 402 202 Maharashtra INDIA Tel +91 (02144) 260110 to 260119 Fax +91 (02144) 260122

IMPORTANT CHANGES AND DEVELOPMENTS

YEAR

- 2012**
 Initiated new ERW mill of 175,000 MTPA in Little Rock, Arkansas, US.
 50,000 MTPA capacity expansion of the already existing 100,000 MTPA HSAW capacity in Mandya, Karnataka.
- 2011**
 Welspun Corp Limited acquired 87.35% stake in Welspun Maxsteel Limited (WMSL) from its group company, Welspun Steel Limited as on 18th Aug 2011.
 Insight Solutions Limited has acquired 12.5% of the equity of WMSL from Welspun Steel Limited, while Grasim Industries Limited has acquired the remaining 0.15% equity in Welspun Maxsteel Limited.
 WCL raised \$290 million in the form of GDRs (US \$115 million) issued to Insight Solutions Limited & CCDs (US \$175 million) issued to Granele Limited.
 Saudi plant commenced production.
 L SAW plant at Anjar commissioned.
 Welspun Middle East established its presence in Dubai to cater to the bouyant markets of Middle East and Africa.
 Acquired 35% stake in Leighton Contractors (India) Private Limited (renamed as Leighton Welspun Contractors Private Limited)
 Awarded "EEPC Top Exporter for the Year 2011" Gold Trophy
 Awarded "IACC Best Indian Manufacturing Company in the US 2011"
- 2010**
 Initiated capacity expansion in India of LSAW by 350,000 MTPA in Anjar, Gujarat, HSAW by 100,000 MTPA in Mandya near Bangalore.
 Fund raising of US\$ 250 million of which US\$ 150 million was raised through FCCB (Foreign Convertible Currency Bonds) in Oct 2009 and \$ 100 million through QIP (Qualified Institutional Placement) in Nov 2009.
 Foray into the world of infrastructure by way of investment in Welspun Projects Limited (formerly known as MSK Projects India Ltd.)
 Completed investment in Middle East company with 300,000 MTPA HSAW facility in Saudi Arabia.
 Change in name of Welspun Gujarat Stahl Rohren Limited to "Welspun Corp Limited" w.e.f. 27/04/2010.
- 2009**
 Commissioning of the US Pipe Mill in Little Rock Arkansas, with the capacity of 350,000 MTPA of HSAW pipes.
 Commissioning of the Coil Mill at Anjar, Gujarat.
- 2008**
 Recognized as 2nd Largest (Large Diameter) Pipe producer in the World by The Financial Times, UK.
 Plate Mill got operational from 28th March 2008. Achieved Level II automation, Rolled X 70 API Grade of 4.5 meters wide.
 Double Jointing & Coating facility commissioned at the Little Rock facility in Arkansas U.S.
 Awarded "Emerging Company of the Year" for Corporate Excellence 2008 by Economic Times.
 Commissioning of additional HSAW Mill with the capacity of 150,000 MTPA at Anjar, Gujarat.
- 2007**
 Trail run of Plate Mill producing X 70 grade with widest plate of 4.5 meters and 45 mm thickness.
 43 MW captive Power Plant Commercially Operational from Sept 2007.
 Initiated HSAW pipe facility at the Little Rock, Arkansas US.
 Largest Ever Order Received by any pipe company i.e. Order from TransCanada Pipelines Limited US.
 Ranked amongst India's Top 100 Corporate, 2007 by S&P and CRISIL.
 Recognized as the "Fastest Growing Company" by Business Today.
 Amongst the top 20 companies to watch out for in 2008 by Business Today.
 Recognized as the top 3 SAW Pipe companies in the World by "CLSA Asia Pacific Markets."
 Recognition as "Fastest Growing Steel Products Company" by Construction World NICMAR.
- 2006**
 Setting up of 2 New HSAW Plants with a total capacity of 350,000 MTPA at Anjar, Gujarat, India.
 Setting up of the Bending Facility at Anjar, Gujarat.
 Additional Coating Plants at Anjar, Gujarat.



FINANCIALS AT A GLANCE

(Rs in Million)

| Particulars | Year ended 31 March (Consolidated) | | | |
|---|------------------------------------|-----------------------|---------------------|---------|
| | 2012 ^o | 2011 ^o | 2010 | 2009 |
| Income Statement Data | | | | |
| Income from Operations | 92,442 | 81,360 | 73,822 | 57,582 |
| Operating Expenses (COGS, Mfg and Other Expenses) | 81,195 | 67,576 | 60,450 | 51,048 |
| Reported EBITDA | 11,247 | 13,784 | 13,372 | 6,535 |
| Normalized EBITDA | 11,120 ^{***} | 14,461 ^{***} | 13,186 [*] | 6,348 |
| Depreciation / Amortization | 3,515 | 2,439 | 2,061 | 1,433 |
| Gross Profit | 3,732 | 9,104 | 11,301 | 4,768 |
| EBIT | 7,731 | 11,345 | 11,311 | 5,102 |
| Finance Cost (Gross) | 3,999 | 2,240 | 2,071 | 1,766 |
| PAT (After Minority Interest) | 2,385 | 6,330 | 6,104 | 2,135 |
| Balance Sheet Data | | | | |
| Current Assets | 78,620 | 56,995 | 51,471 | 45,848 |
| Current Liabilities | 57,322 | 34,774 | 33,510 | 39,555 |
| Net Current Assets | 21,298 | 22,221 | 17,961 | 6,293 |
| Fixed Assets** | 63,625 | 48,645 | 38,283 | 37,190 |
| Investments (Current and Non Current) | 19,788 | 14,405 | 1,596 | 1,140 |
| Gross Debt | 53,407 | 38,060 | 25,476 | 26,538 |
| Cash and Bank Balance | 10,255 | 7,508 | 17,028 | 9,470 |
| Liquid Investments | 19,431 | 14,366 | 1,595 | 1,139 |
| Cash and Liquid Investments | 29,686 | 21,875 | 18,623 | 10,609 |
| Net Debt | 23,721 | 16,185 | 6,853 | 15,929 |
| Net worth | 49,139 | 33,735 | 29,011 | 15,597 |
| Minority Interest | 3,433 | 2,024 | 0 | |
| Average Net worth | 41,437 | 31,373 | 22,304 | 15,635 |
| Deferred Tax Liability | 4,970 | 4,344 | 3,352 | 2,488 |
| Capital Employed | 110,949 | 78,163 | 57,839 | 44,623 |
| Capital Employed (Net of Cash and Liquid Investments) | 81,263 | 56,288 | 39,217 | 34,013 |
| Average Capital Employed (Net of Cash and Liquid Investments) | 68,776 | 47,752 | 36,615 | 33,073 |
| Cash Flow Data | | | | |
| Net Cash Flows by Operating Activities | 14,287 | 6,665 | 3,843 | 13,195 |
| Net Cash Flows by Investing Activities | (22,054) | (22,574) | (3,885) | (7,438) |
| Net Cash Flows by Financing Activities | 9,634 | 5,585 | 2,767 | 1,010 |

| | | | | |
|-------------------------------------|--------|--------|--------|--------|
| Financial Ratios | | | | |
| EPS Basic (Rs/share) | 10 89 | 30 95 | 31 69 | 11 5 |
| EPS Diluted (Rs/share) | 9 71 | 28 66 | 28 40 | 11 4 |
| EBITDA Margin (%) | 12 17% | 16 94% | 18 11% | 11 35% |
| PAT Margin (%) | 2 58% | 7 78% | 8 27% | 3 71% |
| Net Debt to Net worth | 0 48 | 0 48 | 0 24 | 1 02 |
| Net Debt to EBITDA | 2 11 | 1 17 | 0 51 | 2 44 |
| Return on Avg Net worth | 5 76% | 20 18% | 27 37% | 13 66% |
| ROCE [EBIT/ (Avg Capital Employed)] | 11 24% | 23 76% | 30 89% | 15 43% |

@ As per revised Schedule VI

FY 2011 12: Includes Other Income of Rs 2,676 million which includes interest income for FY12 Operational Performance was impacted by foreign exchange provisions on Rs 1,248 million, and provisions made towards amicable settlement with a customer of Rs 649 million Total foreign exchange provision was Rs 1,517 million

FY 2010 11: includes export rebate of Rs 734 mn on receipt of favourable judgment from Honorable Supreme Court and provision of Rs 2,007 mn on account of settlement with one of the customers thereby ending long pending litigation

FY 2009 10: Forex Provisioning made in the previous year were recovered during the year

* FY 2008 09 :EBITDA would have been higher at Rs 8,167 million which was impacted by Forex provision at Rs 1,256 million, Provision on ECB of Rs 178 million and Inventory write down of Rs 385 mill on during the year and Net Income would have been higher at Rs 3,336 million

** Includes Capital Work In Progress

*** Net worth includes CCDs of Rs 7,884 million

FINANCIALS AT A GLANCE

(USD in M llion)

| Particulars | Year ended 31 March (Consolidated) | | | |
|---|------------------------------------|-------------------|------------------|-------|
| | 2012 ^o | 2011 ^o | 2010 | 2009 |
| Income Statement Data | | | | |
| Income from Operations | 1,928 | 1,787 | 1,555 | 1,254 |
| Operating Expenses (COGS, Mfg and Other Expenses) | 1,693 | 1,484 | 1,273 | 1,112 |
| Reported EBITDA | 235 | 303 | 282 | 142 |
| Normalized EBITDA | 232 ^{***} | 318 ^{**} | 278 [*] | 138 |
| Depreciation / Amortization | 73 | 54 | 43 | 31 |
| Gross Profit | 151 | 254 | 238 | 104 |
| EBIT | 161 | 249 | 238 | 111 |
| Finance Cost (Gross) | 83 | 49 | 44 | 38 |
| PAT (After Minority Interest) | 50 | 139 | 129 | 47 |
| Balance Sheet Data | | | | |
| Current Assets | 1,545 | 1,278 | 1,146 | 904 |
| Current Liabilities | 1,127 | 780 | 746 | 780 |
| Net Current Assets | 419 | 498 | 400 | 124 |
| Fixed Assets** | 1,251 | 1,091 | 853 | 733 |
| Investments (Current and Non Current) | 389 | 323 | 36 | 22 |
| Gross Debt | 1,050 | 853 | 567 | 523 |
| Cash and Bank Balance | 202 | 168 | 379 | 187 |
| Liquid Investments | 383 | 283 | 31 | 22 |
| Cash and Liquid Investments | 585 | 431 | 367 | 209 |
| Net Debt | 466 | 363 | 153 | 314 |
| Net worth | 966 | 756 | 646 | 308 |
| Minority Interest | 67 | 45 | 0 | |
| Average Net worth | 923 | 699 | 497 | 348 |
| Deferred Tax Liability | 98 | 97 | 75 | 49 |
| Capital Employed | 2,181 | 1,753 | 1,288 | 880 |
| Capital Employed (Net of Cash and Liquid Investments) | 1,597 | 1,262 | 873 | 671 |
| Average Capital Employed (Net of Cash and Liquid Investments) | 1,352 | 1,071 | 815 | 652 |
| Cash Flow Data | | | | |
| Net Cash Flows by Operating Activities | 298 | 146 | 81 | 287 |
| Net Cash Flows by Investing Activities | (460) | (496) | (82) | (162) |
| Net Cash Flows by Financing Activities | 201 | 123 | 58 | 22 |

| | | | | |
|-------------------------------------|--------|--------|--------|--------|
| Financial Ratios | | | | |
| EPS Basic (US \$/share) | 0 23 | 0 68 | 0 60 | 0 25 |
| EPS Diluted (US \$/share) | 0 20 | 0 63 | 18 11% | 0 25 |
| EBITDA Margin (%) | 12 17% | 16 94% | 8 27% | 11 35% |
| PAT Margin (%) | 2 58% | 7 78% | 0 24 | 3 71% |
| Net Debt to Net worth | 0 48 | 0 48 | 0 51 | 1 02 |
| Net Debt to EBITDA | 2 11 | 1 17 | 27 37% | 2 44 |
| Return on Avg Net worth | 5 76% | 20 18% | 30 89% | 13 66% |
| ROCE [EBIT/ (Avg Capital Employed)] | 11 24% | 23 76% | | 15 43% |

@ As per revised Schedule VI

FY 2011 12: Includes Other Income of Rs 2,676 million which includes interest income for FY12 Operational Performance was impacted by foreign exchange provisions on Rs 1,248 million, and provisions made towards amicable settlement with a customer of Rs 649 million Total foreign exchange provision was Rs 1,517 million

FY 2010 11: includes export rebate of Rs 734 mn on receipt of favourable judgment from Honorable Supreme Court and provision of Rs 2,007 mn on account of settlement with one of the customers thereby ending long pending litigation

FY 2009 10: Forex Provisioning made in the previous year were recovered during the year

* FY 2008 09 :EBITDA would have been higher at Rs 8,167 million which was impacted by Forex provision at Rs 1,256 million, Provision on ECB of Rs 178 million and Inventory write down of Rs 385 million during the year and Net Income would have been higher at Rs 3,336 million

** Includes Capital Work In Progress

*** Net worth includes CCDs of Rs 7,884 million

| | | | | |
|--|--------|-------|-------|-------|
| Exchange rates used for Balance Sheet Items is Closing rate as on 31 March | 50 875 | 44 60 | 44 90 | 50 72 |
| Exchange rates used for Profit & Loss Items is Average rate for the year | 47 946 | 45 53 | 47 47 | 45 91 |

CHAIRMAN'S MESSAGE



My dear fellow stakeholders,

The year 2011-12 took off where the previous one ended with an upbeat mood all around. But as the year progressed, growth began to moderate and uncertainty emerged in the domestic economy, fuelled by rising inflation, higher interest rates and consequent reduced liquidity, lower consumption as well as the unabated volatility in commodity prices and other input costs. Add to this the steep forex fluctuations between April 2011 and mid May 2012, the rupee depreciated by 24% against the US dollar – more than any other significant currency in the world. That has not only raised the cost of international funds, but has also increased the cost of large infrastructure projects that require imported capital goods, consumables and intermediates.

However, with our steady flow of order intake and strong fundamentals we have been able to weather the storm. Welspun was able to achieve a sustained performance with strong order book position of Rs. 7,447 crore healthy, considering the fact that industrial production continued to dip lower throughout the year. What was the secret behind our success? I believe it was

the unending quest for excellence, the constant striving to do even the most ordinary things well. We built capabilities that made us more customer focused, worked on strengthening internal processes and streamlined the organisation to boost competitiveness. Each of these initiatives will enable us to sustain our growth.

Turning a new leaf

In the year gone by one of the important milestones for us was the investment by Apollo Global Management, LLC (together with its subsidiaries, Apollo) in our company. It was one of India's largest PE transactions in recent times, demonstrating the confidence and trust that Apollo has bestowed on us and our global reach in servicing some of the largest oil and gas companies in the world. Further, it reflects the organisational capabilities of our Group.

I firmly believe that this partnership will pave the way for Welspun to strengthen its leadership position as one of the top line pipe companies in the world. The association will also open doors for future strategic business

KEY HIGHLIGHTS 2011-12

- ▶ Strong performance even amidst overall economic slump.
- ▶ Healthy Order Book position – Rs. 7,447 crore
- ▶ Apollo's Investment in WCL – Open doors for strategic business expansion and new projects
- ▶ \$80 mn investment for ERW Plant at Little Rock

expansion and new projects, fuelling our desire to excel and grow.

Strategic Initiatives

Another significant development was the announcement of expansion plans at our Little Rock facility in Arkansas. For the second time in three year history of this operation, we will be adding 200 jobs and investing an additional \$80 million. With this expansion, Welspun will bring its total overall investment to \$280 million, among the highest investments made by any pipe company in US in the recent times.

Through this expansion, we will broaden our product line to include the production of 6 inch to 20 inch ERW steel pipes along with Coating facility. The new manufacturing lines will be located in a second building on 44 acres purchased by the company. This plant is scheduled for commissioning in March 2013 and is likely to ramp up to optimal utilisation in FY14. Further, we have successfully commissioned our LSAW Plant at Anjar (Gujarat) with a capacity of 350,000 MTPA. It has already received a few large orders, and is currently booked till August 2012. The plant is well set on the path to ramp up its capacity utilisation levels. With this new facility, the LSAW line pipe capacity will increase to 0.70 million tonnes from the current 0.35 million tonnes catering to the growing market of LSAW pipes for the deep offshore projects across the globe.

Meanwhile, to meet the demand of the buoyant water segment in India the company is further expanding its Mandya plant by another 50,000 tonnes. The expansion is being done within the original capital expenditure budget of Rs. 1,000 million.

Human Resource

One of the most significant mainstays in the performance of the organisation has been our motivated and energetic workforce which has helped us to excel in everything we do. It is with the hard work and dedication of all you Welspunites that we have been able to achieve such extraordinary feats. To strengthen our management, we have taken on board Mr. Braja K. Mishra, the new Managing Director of WCL. After a brief stint of three

years outside Welspun, he has decided to join us back thus giving a renewed focus to the business. He brings along with him 25 years of experience with immense critical know-how about the pipe and plate industry.

Corporate Governance

Another significant milestone during the period under review was the SEBI order in our favour. It is a landmark judgment which has once again reaffirmed the highest standards of Corporate Governance and ethical practices that we follow.

Outlook

The current state of economy, with a moderate pace of growth, is expected to continue into the next financial year. Together with the uncertain economic environment, the impact of credit and liquidity crunch in the global market is likely to lead to postponement of new projects and delays in executing existing ones. A further challenge could be delays in infrastructure development due to environmental clearances, which is likely to cause delays or postponement in the decision of some project orders.

Despite the various challenges affecting the market, Welspun is committed to growth. We anticipate that new opportunities will emerge in the future, primarily in the area of oil and gas exploration and water. Also, with the government thrust on infrastructure development, irrigation and water supply, there is good potential in the domestic market. With the Company's continued focus on excelling in every sphere of its operations and generating sustainable value for its customers and stakeholders, I am confident that we will continue to do well.

In conclusion, I would heartily thank the Board, all our stakeholders, the management and especially our dedicated employees for their consistent support and commitment to Welspun, as well as our esteemed customers for their confidence and trust.



B. K. Goenka

